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[REDACTED] NRO review(s) completed.

20 OCT 1966

MEMORANDUM FOR: Acting Deputy Director for Science & Technology
Director of Reconnaissance, CIA

SUBJECT: Management of NRO Accounts

REFERENCE: A. [REDACTED] dated 28 June 1966:
Initial Program Approvals for FY-67

B. [REDACTED] dated 18 April 1966:
Re-utilization of Prior Year
Unobligated Funds

1. The purpose of this memorandum is to consider various factors relating to the management of NRO funded programs and to propose strengthened internal DBS&T procedures for the administration of the NRO accounts.

2. It is clear, in view of the large amount of NRO funds for which CIA is responsible, that it is incumbent upon us to establish procedures for the central overview of the NRO programs to assure observation of NRO constraints, proper responses to the NRO, and proper management of NRO funds. DBS&T internal procedures must stand the scrutiny of audit and yet retain for the Office Directors as program managers the maximum practical managerial latitude in the use of NRO funds.

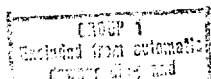
3. Some of the factors which must be considered in developing appropriate procedures are:

a. NRO constraints on the utilization of current year funds.

b. NRO constraints on the use of prior year unobligated funds.

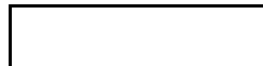
c. Terms of reference.

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- d. Approving levels for contract actions and other obligation of NRO funds.
- e. Reporting to Director of Reconnaissance and Deputy Director for Science and Technology.
- f. Contact and correspondence with the National Reconnaissance Office.
4. Comments concerning the factors enumerated above, together with suggested procedures, follow:
 - a. NRO constraints on the utilization of current year funds.

(1) Each year with the Initial Program Approvals the NRO will provide specific authority to reprogram current year funds between and/or within accounts or line items. The implication is that each year will have slightly different rules. It is unlikely the reprogramming authority will be granted to transfer funds between programs without express permission of the DNRO. Transfer between projects also is unlikely to happen without formal approval of the DNRO. Transfer between accounts within projects has so far been authorized in specific instances as noted in the Initial Program Approvals. Funding adjustments between line items within accounts have generally been authorized to the Director of Reconnaissance, CIA, with some restrictions such as the 5% increase limit allowed in a given line item in the FY-1967 OXCART Airframe Support Account.

(2) Procurement of new items or initiation of new tasks are invariably tied to specific and prior approval of the DNRO.

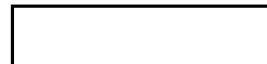
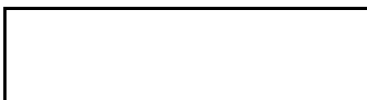


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I. Contact and correspondence with the National Reconnaissance Office.

(1) It is recognized that there must be an interchange of information between DDS&T elements and the DNRO and NRO Staff. To govern such contacts, the following procedures should be established:

(a) All meetings with the DNRO should receive prior concurrence of the Director of Reconnaissance, CIA, and approval of the DDS&T. This is not intended to inhibit such contacts but is to assure consistency in CIA policy towards the NRO.

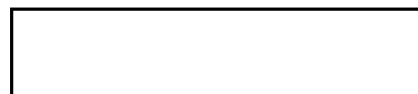
(b) Meetings with  to discuss programs or projects already approved need no prior clearance; however, any meetings to discuss new programs or policy matters should receive prior concurrence from the Director of Reconnaissance, CIA, and approval from the DDS&T.

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(c) Meetings with members of the NRO Staff need no prior approval. Frequent informal exchanges of information and views between personnel in DDS&T Offices and members of the NRO Staff should be encouraged.

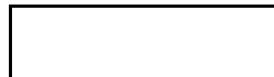
(d) Meetings concerned with budgetary matters and meetings with the NRO Comptroller should be coordinated with the Comptroller/DDS&T.

(e) Any contact in which a commitment is made by a member of DDS&T to the DNRO or a member of his Staff, or vice versa, should be recorded in a memorandum for the record and a copy sent to the Director of Reconnaissance, CIA, and to the DDS&T. In



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In addition, a summary record should be maintained of all meetings with the DNRO and his Staff and submitted monthly to the Director of Reconnaissance, CIA, and to the DDS&T. This report should be in outline form noting merely the parties involved, the date, and the subject matter discussed.

(f) All memoranda to the DNRO or the NRO Comptroller will be prepared for signature of the Director of Reconnaissance, CIA, and will be coordinated by him with the DDS&T prior to dispatch. All cables to the DNRO or SAESP will be coordinated with the DDS&T and the Director of Reconnaissance, CIA, prior to release.

Comptroller
Directorate of
Science and Technology

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O/DDS&T/Compt [Redacted] (19 Oct 66)